

# Ordinance No. 670-12

Council Members Brancatelli, Zone, and Kelley

## An Emergency Ordinance

To amend Section 347.17 of the Codified Ordinances of Cleveland, Ohio, 1976, as amended by Ordinance No. 944-08, passed October 13, 2008, relating to check cashing businesses, short-term loan lenders, small loan lenders, and mortgage loan lenders.

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WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore

### **BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:**

**Section 1.** That Section 347.17 of the Codified Ordinances of Cleveland, Ohio, 1976, as amended by Ordinance No. 944-08, passed October 13, 2008, is hereby amended to read as follows:

**Section 347.17      Check Cashing Businesses, Short-Term Loan Lenders, Small Loan Lenders and Mortgage Loan Lenders**

(a) *Purpose.* The regulations of this section are established to regulate the location of check-cashing businesses, and certain businesses that make short-term loans, small loans and mortgage loans, for the purpose of protecting neighborhoods from negative secondary effects created by the concentration or clustering of such businesses. Furthermore, the regulations are established to guard against market saturation which may lead to increased rates as an offset for lower business volume.

(b) *Definitions.* For purposes of this section:

(1) "Check-cashing business" means any business that is licensed, or is required to be licensed to cash checks under Sections 1315.21 through 1315.30 of the Revised Code;

(2) "Short-term loan lender" means any business that is licensed, or is required to be licensed to make short term loans under Sections 1321.35 through 1321.48 of the Revised Code;

(3) "Small loan lender" means any business that is licensed, or is required to be licensed to make small loans under Sections 1321.01 to 1321.19 of the Revised Code; and

(4) "Mortgage loan lender" means any business that is licensed or is required to be licensed to make mortgage loans under Sections 1321.51 through 1321.60 of the Revised Code.

(5) *Exclusions.* For purposes of this section, "check-cashing business, "short-term loan lender", "small loan lender" and "mortgage loan lender" do not include any bank, savings and loan, credit union or similar financial institution that is not licensed under, required to be licensed under, or otherwise regulated by the state laws cited in this division.

(c) *Spacing.* No check-cashing business, short-term loan lender, small loan lender or mortgage loan lender shall be established on a lot or lots within 1,000 feet of another lot or lots containing an existing check-cashing business, short-term loan lender, small loan lender or mortgage loan lender. No two check-cashing businesses, short-term loan lenders, small loan lenders or mortgage loan lenders, in any combination, shall be located in the same building or on the same lot.

(d) *Maximum Number.* There shall be no more than one check-cashing business, short-term loan lender, small loan lender or mortgage loan lender located within the City of Cleveland for each 20,000 persons residing in the City as recorded in the most recent decennial U.S. Census. No additional check-cashing businesses, short-term loan lenders, small loan lenders or mortgage loan lenders shall be established if the current number of check-cashing businesses, short-term loan lenders, small loan lenders or mortgage loan lenders exceeds the maximum number permitted.

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(e) *Exception.* This section shall not apply to any check-cashing business, short-term loan lender, small loan lender or mortgage loan lender as defined above currently in operation prior to passage of this section.

Section 2. That existing Section 347.17 of the Codified Ordinances of Cleveland, Ohio, 1976, as amended by Ordinance No. 944-08, passed October 13, 2008, is hereby repealed.

Section 3. That this ordinance is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

5/7/12

MZ:rns

May 7, 2012

**Referred to Directors Finance, Law;  
Committees on Legislation, Finance.**